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CENTRAL INTELLIGENCE AGENCY

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to be developed. Individual properties are small but numerous. Companies working alluvials recover tin and very little tungsten while the firms working eluvials produce almost as much tungsten as they do tin. Companies working lode mines produce more tungsten than they do tin.

5. The chief companies operating in Tavoy area are the Tavoy Tin Dredging Co. Ltd., Consolidated Tin Mines of Burma, Ltd., High Speed Steel Alloys, Ltd., Anglo Burma Tin Co., Ltd., Teh Lu Pe, Ltd., and Heinze Burma Tin Co., Ltd. The Tavoy Tin Dredging Co., Ltd. has five of its seven tin dredges in operation in Tavoy, including the largest dredge in Burma in the Heinze Basin. This dredge (14-40, 98-01) used to produce 600 tons of tin concentrated a year. The dredge, which was badly damaged during the war, may not be repaired before the end of 1950.
6. During 1949, Tavoy Tin Dredging Co. Ltd. had one rehabilitated dredge in operation at Khamaungtha (14-11, 98-18), and three dredges in operation at Kyaukmedaung (14-10, 98-26). The Heinze Tin Syndicate, in 1949, had a small bucket dredge in operation in the Heinze Basin.
7. Before the war the Consolidated Tin Mines of Burma Ltd., produced about 300 tons of tin concentrates and 700 tons of tungsten concentrate per annum. Most of the output came from the company's large lode mine at Hermyingyi. This property has been rehabilitated and was worked during 1949. The company also has eluvial and lode properties at Bwabin (14-08, 98-25) and Byauk Chaung (14-17, 98-13) as well as numerous small properties in a block nine miles long. The company is presently far short of prewar production levels.
8. The chief property of High Speed Steel Alloys is Kanbauk Mines Ltd. at Kanbauk, and consists of a lode mine producing equal amounts of tin and tungsten. High Speed Steel Alloys also owns properties in its own name at Widnes and Hpaung Daw (14-01, 98-29) where eluvials and a small lode deposit are worked. Before the war this company produced more than 1,000 tons of tin and tungsten concentrates a year. The company also purchased tungsten concentrates for shipment to England and they purchase mixed concentrates which they process in a magnetic separator in Tavoy. The company's 1949 output was a little more than half its annual prewar output.
9. In late 1949 the production of the Anglo-Burma Tin Co. Ltd., which produces most of its tin at Heinda (14-07, 98-31) where the company has a hydraulic sluicing plant, was estimated to be as high as 50 tons per month.
10. Teh Lu Pe is by far the largest of the native mining companies. During 1949, this company which works eluvials and lode deposits at Pagaye (14-07, 98-18) and at Wagon (14-11, 98-24) produced about 400 tons of tungsten concentrates. The total production figure includes amounts of mixed concentrates purchased from small native miners and processed in a magnetic separator at Tavoy. Teh Lu Pe has been exporting to Gothenburg on East Asiatic Company ships.
11. On 21 January 1950 Communist* forces entered all the areas in the Tavoy District controlled by foreign firms, this action taking place at about the same time the properties under the control of the Tavoy Tin Dredging Co., the Consolidated Tin Mines of Burma, Anglo-Burma Tin Co., and High Speed Steel Alloys Co. were expropriated. Communist leaders, informing all Europeans that they were against capitalism, offered them contracts to work the mines on a three year basis.

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12. As of early February, with the Communists in possession of the mines, all production had stopped with the exception of a few native-controlled mines. Approximately 5,000 laborers were out of work. Although mechanical equipment was left in tact by the Communists a considerable amount of looting was perpetrated by the invading forces. At the time the Communists took over, it is estimated that stocks at the various European mines amounted to 250 metric tons of tin and 200 tons of tungsten concentrates.
13. Teh Lu Pe and most of the Chinese in the area expected Communist activity, and it has been reported that TEH turned Communist in mid-1949 and actually was in collusion with the invading forces. Evidently a leader of Communist activity in Lower Burma, TEH deals in arms which are reported coming across the Thai border. His mines are still in operation partially stocked by supplies of concentrates which have been stolen from other mining properties.
14. Present tin production in the Tavoy area is estimated to be less than one fourth the December figure, while tungsten production, though effected by local disturbances, has been supported by native mines still operating. Native miners pay protection to the local Communists until they are eventually forced out of business by exorbitant demands. The grave danger in the area is that looting of spare parts and essential equipment will reach such proportions that operations will be severely impeded. Tavoy District mine companies are pessimistic about the future largely because of excessive government controls.

Mergui District (See map--Attachment #2)

15. During 1939, the Mergui District produced almost 2,000 tons of tin concentrates and more than 300 tons of tungsten concentrates, figures which were far short of potential. Nearly all the production in Mergui comes from eluvial and lode deposits. Only a few small eluvial and lode properties have been exploited although numerous small, rich tungsten deposits occur near Tengan, Palauk, Wunna, Taga, Maliwun and east of Thawbawleik.
16. The principal producer in the Mergui District is the Thawbawleik Tin Dredging Co. Ltd., operated by Austral Malay. This Company has about 650 acres of land near Thawbawleik (12-01, 99-12) of which about 230 acres remain to be dredged. The company has a bucket dredge with a capacity of 160,000 cubic yards a month. Before the war this dredge used to produce about 500 metric tons of tin concentrates per annum, 72 percent tin. This figure was increased to 615 tons during the year 1949.
17. The following table is a record of Thawbawleik's 1949 output, in piculs (one picul is equal to 133.3. pounds):

| | | | |
|----------|-------|-----------|-----|
| January | 1,160 | July | 705 |
| February | 1,159 | August | 462 |
| March | 570 | September | 533 |
| April | 1,268 | October | 680 |
| May | 1,367 | November | 292 |
| June | 1,008 | December | 937 |

Total output 1949: 10,141 piculs, or about 615 tons of tin concentrates.

18. Although Thawbawleik's output in 1949 was above average prewar production, the company has been faced with many problems which have tended to undermine the long range security of operations. During 1949 squeeze and protection money expended by the company amounted to over \$100,000, a sum paid to prevent strikes, bribe local officials and placate local Communists.

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The company's lease is due to expire in March 1951, and under the terms of the new Government of Burma mining laws the company's property is subject to expropriation by the government under conditions which can be considered hardly favorable to private enterprise.

19. All European companies in the area are attempting to have the mining laws modified, for within a year Consolidated Tin, High Speed Steel Alloys, Anglo-Burma Tin, Tavoy Tin Dredging Company and Thawbawleik will be confronted with the problem of coming to terms with the Government of Burma.
20. The Tavoy Tin Dredging Co. Ltd. has two of their seven dredges in the Mergui District, one located at Theindaw (12-20, 99-10), the other at Karathuri (10-56, 98-48). The latter dredge has not been repaired as of February 1950. The Lenya Tin Dredging Company, controlled by Steel Brothers, in February 1950 had a dredge in Mergui town where it was being rehabilitated. After repairs it will probably go to Kwekayan.
21. The Anglo-Burma Tin Co. Ltd. has a mining lease at Thawbawleik covering 1,752 acres, as well as 1,277 acres in the Palaw area at Shanthé. Both areas are being worked by contractors on a tribute basis. Native companies working alluvials at Tagu, Bokpyin, Karathuri, Yamon, Namnoi and Maliwun are numerous, but their aggregate production is not large. Tin and tungsten ores have been found on the islands of Mergui archipelago.

Thaton District

22. Due to disturbances in this area, the mines at Kadeik which used to produce tungsten and some tin are shut down.

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- * [REDACTED] Comment. These "Communist" forces are not identified, but it is thought that these groups are bands of White Flags.

- Enclosures: 1. Map of Tavoy District, Burma.
2. Map of Mergui District, Burma.
3. Output of mines producing more than 100 tons of concentrates in 1939.

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